

## AOA Bulletin 3.4: Employee Travel & Expense (T&E) Policy (and VISION Expenses Module)

### Overview of Key Changes

	New Policy/Practice	Prior Policy/Practice
1.	Establishes Dept of Finance & Management as primary department for administering employee T&E reimbursements/payments	Formerly Dept of Personnel (now DHR) <i>per current Bulletin</i>
2.	Implementation of VISION "Expenses" module to process expense reimbursements, travel authorizations & travel cash advances using on-line entry, system workflow and electronic approvals	Travel expenses processed through Paradox system...paper-based forms with wet signatures, redundant data entry
3.	All employee expense reimbursements will be processed through the Expenses module	Travel expense reimbursements processed through Payroll (paradox); non-travel business expenses through VISION Accounts Payable module
4.	"Expense Delegates" may perform <u>data entry</u> of expense reports, cash advance requests and travel authorizations on behalf of assigned employees but each employee must <u>submit</u> (i.e., electronic signature) their own transactions for approval processing	
5.	On-line capability for employees to search & track current and previously submitted expense reports, authorizations, advances, etc	No on-line functionality for employees
6.	All Expense Reports require 2 electronic approvals – employee supervisor and dept's expense coordinator – before payment	Only Supervisor approval (and then F&M Payroll pre-audit)
7.	New (or expanded) role of a department <b>Expense Coordinator</b> for pre-auditing (e.g., documentation/receipts, policy compliance, accounting info, etc.) and approving expense reports	Role may exist but in a more limited capacity with generally less accountability & responsibility
8.	Depts have authority <u>and</u> responsibility to pre-audit and initiate all expense reimbursement payments without other external review (consistent with existing practice for vendor invoices & AP vouchers)	All travel-expense reimbursements are pre-audited by F&M Payroll before payment
9.	Approved T&E reimbursements paid each business day	Bi-weekly payment of travel reimbursements
10.	Expense reports submitted more than 60-days after when expense was paid/incurred will be taxed - employee & dept- in accordance with IRS and require a separate form (new); " <i>reasonable exceptions</i> " may exist in very limited situations	Dept Head must approve over 60-days

	New Policy/Practice	Prior Policy/Practice
11.	Travel advances in excess of actual expenses will be taxed if not refunded by employee within 120-days of when associated expenses were paid/incurred	
12.	If approved by dept, cash advances <u>may</u> be issued up to 30-days prior to start date of trip	Cash advances issued no sooner than 10-days prior to trip
13.	Minimum travel cash advance is \$200	Minimum advance is \$100
14.	Travel Authorization requirements and approvals have been re-defined	
15.	"Out-of-Country" (for travel authorization) has been newly defined as any location other than the 48 contiguous States or Washington DC	No clear definition
16.	<u>Emphasizes</u> use of P-Card and other standard purchasing practices to minimize employee reimbursements	
17.	Travel cash advances will be paid out of an "agency" fund within each dept; depts. will be responsible for managing & reconciling this fund	Travel cash advances paid from a Treasurer's Office account and managed by STO
18.	All expense reimbursements and cash advances will be processed via direct deposit...provided employee receives wages via dir. dep.	Most non-travel reimbursements and cash advances are paid via paper check
19.	All Expense Reports and Travel Authorizations require identifying a pre-defined <b>Business Purpose</b> for the travel/expense	No such practice
20.	Depts. maintain & retain all receipts and supporting documentation for expenses for a minimum of <b>3 years</b> after the tax filing deadline (April 15th) for the calendar year in which the expense was reimbursed	F&M Payroll maintains and retains all receipts and supporting documentation (retention period is longer?)
21.	Expense reports and documentation subject to <u>potential</u> post-audit by F&M Payroll	100% pre-audit of expenses by F&M Payroll but no post-audit
22.	Requirements for 3 <sup>rd</sup> party payments/ reimbursements have been clarified; prior authorization required for transparency and conflict-of-interest purposes (does not apply to other govt. agencies)	Practices appear inconsistent
23.	Provides guidance/expectations on conference "gifts" (e.g., clothing, mugs, door prizes, etc) and traveler rewards (e.g., frequent flyer, hotel reward points)	No guidance
24.	At dept's discretion (e.g., early purchase discounts, financial burden on employee) airfare may be reimbursed <u>prior</u> to trip provided dept has controls in place to monitor whether ticket was used as intended	F&M Payroll only processes airfare reimbursement after completion of trip

	New Policy/Practice	Prior Policy/Practice
25.	Meals over maximum \$ collective bargaining agreement (CBA) rates only allowable for non-union eligible employees with the prior authorization of Sec of Admin	Potentially allowable for any employee with dept head approval (practice inconsistent with CBA)
26.	Meals over maximum \$ CBA rates (where authorized) require receipts	No receipts required for any meals
27.	\$200 maximum reimbursement limit (with exceptions) per purchase for non-travel business expenses	No maximum limit (or guidance)
28.	\$5,000 maximum limit on reimbursement/ payment of authorized moving expenses for new employees	\$4,000 maximum limit
29.	Clarifies (existing) requirement for employees to use State contract vendor(s) for vehicle rentals for both in-state and out-of-state travel	BGS-Office of Purchasing & Contracting has contract info on their website
30.	Clarifies all reimbursements for authorized commuting mileage, including call-in status, must be reported as taxable by the employee	
31.	IRS based guidance on employer provided Cell Phones	No guidance
32.	Guidance/expectations on <u>department provided</u> Tuition Assistance and new form for complying with IRS (re: taxable fringe benefits)	
33.	Guidance on reporting to F&M Payroll potential taxable fringe benefit for employees commuting with state-owned vehicles (if employee doesn't meet IRS exemption)	AOA Bulletin 2.3: State Vehicles already has guidance on authorized commuting with state-owned vehicles and IRS requirements
34.	Professional Licenses – clarified recently approved exemption for <b>attorney licenses</b> with conditions - otherwise remain an unallowable expense (most generally)	No exception existed for attorney licenses; Overall compliance appears inconsistent

### New Forms

- **Missing Receipt Declaration**
  - Use - when a required receipt is unavailable (lost, damaged, etc)
- **Explanation of Late Filing**
  - Use - expense reports over 60 days old
- **Tuition Assistance – Employee Certification**
  - Use -to determine if provided assistance is potentially a taxable fringe benefit
- **Authorization of Employee Expenses to be Paid by a Third-Party Organization**
  - Use - when a 3<sup>rd</sup>-party offers to pay/reimburse an employee's expenses

### Revised Form

- **Employee Travel Authorization**
  - Use – prior authorization of employee out-of-state (or country) travel when an on-line travel authorization is not used